

Councilmember Marilyn J. Praisner's Statement on the FY05 Operating Budget

Voting against the FY05 operating budget wasn't an easy thing for me to do. The budget contained many worthwhile programs I support. But I believe voting against it was the right thing to do. Why? Because the budget is not sustainable and it ignores the fact that our taxpayers are already reeling from high property tax assessments and the prospects of significantly higher energy rates. (Pepco has already warned its residential customers in Maryland to expect a 26 percent increase in prices in July for electricity and a 15 percent overall increase in their utility bills. Natural gas is also in short supply and price increases are looming.)

The one-cent decrease in the property tax rate the Council approved – a \$30 reduction for the average homeowner – will provide little relief.

In fact, because the Council also raised the energy tax by 52 percent, costing the average resident \$37, the property tax relief will be erased.

What I supported was a one-cent decrease in the property tax rate with a modest increase in energy taxes to offset this lost revenue. Under this plan, the average homeowner would have benefited from the \$30 reduction without seeing taxes on energy rise significantly. However, when such a high increase energy tax was proposed, I asked for the property tax rate to be decreased by two cents, but the Council did not support this.

Further, the Council's vote to raise energy taxes by 52 percent is piled on top of a 300 percent increase enacted last year.

Yes, we knew we were entering a difficult budget year for the County. Revenues were down, the State was having its own problems and Montgomery County is an ever-growing, diverse community with legitimate needs for good schools, public safety, libraries, recreation and human services.

Because the Council approved a budget that is not sustainable, we will be back next year, going through the same budget-cutting exercises that we have for the past several budgets. Or worse, raising taxes again.

This is why I have proposed a new budget approach, starting in July – a comprehensive examination where we really look at all programs and services, one by one, which will get us to where we need to be – sustainability.

I believe this Council could have achieved their objective to maintain safe, livable communities this year without placing such a high tax burden on its residents.